



**DEPARTMENT OF INSURANCE  
STATE OF ARIZONA**

*Financial Affairs Division – Tax Unit*  
2910 North 44<sup>th</sup> Street, Suite 210  
Phoenix, Arizona 85018-7269  
Phone: (602) 364-3998  
Fax: (602) 364-3989

**2006 AHCCCS CONTRACTOR QUARTERLY PREMIUM TAX INSTRUCTIONS**  
**TAX REPORT FORMS INVENTORY AND INSTRUCTIONS**

FORM NAME	FORM DESCRIPTION	DUE DATE
E-QTR1	AHCCCS CONTRACTOR Quarterly Premium Tax Report – 1 <sup>st</sup> Quarter	03/15/06
E-QTR2	AHCCCS CONTRACTOR Quarterly Premium Tax Report – 2 <sup>nd</sup> Quarter	06/15/06
E-QTR3	AHCCCS CONTRACTOR Quarterly Premium Tax Report – 3 <sup>rd</sup> Quarter	09/15/06
E-QTR4	AHCCCS CONTRACTOR Quarterly Premium Tax Report - 4 <sup>th</sup> Quarter	12/15/06

**WHO MUST FILE:** Each AHCCCS Contractor is required to file quarterly tax reports and pay the estimated premium tax pursuant to A.R.S. §§ 36-2905 and 36-2944.01 on or before the Due Dates shown above.

**DUE DATE:** The Quarterly Premium Tax Reports AND the payment of tax must be filed on or before the Due Date.\*

**POSTMARK POLICY:** This Department honors validation or postmark by the U.S. Postal Service as evidence of filing. POSTAGE METER STAMPS DO NOT APPLY.

**OVERNIGHT COURIER OR HAND-DELIVERY:** Filings received by overnight courier must include an invoice or receipt bearing the date that the item was picked up by the courier from the originating sender. Hand-deliveries must be received before 5:00 P.M. on the Due Date. \*

\* When the Due Date falls on Saturday, Sunday or a State-observed holiday it is extended to the next business day.

**HOW TO COMPLETE THE QUARTERLY PREMIUM TAX REPORT FORMS:** The following information must be provided in each Quarterly Premium Tax Report filed by the Contractor:

1. The **PLAN I.D. NUMBER** assigned by AHCCCS for each type of plan for which the Contractor provides services under a contract with AHCCCS.
2. **ESTIMATED AMOUNTS** of the total capitation, including reinsurance and any other reimbursement paid to the Contractor by AHCCCS during the calendar quarter for each Plan Type. Since the tax is due prior to the close of the calendar quarter, the Contractor must reasonably estimate the total amounts for the quarter. To reasonably estimate the total amounts for the quarter, the Contractor should:
  - a) Determine the latest date by which it must prepare the tax report to assure timely filing and payment.
  - b) Account for all amounts actually paid during the calendar quarter up to the date that the report is prepared.
  - c) Determine if recent enrollment activity will generate additional payments to the Contractor from AHCCCS.
3. Computation and payment of Penalty and Interest if tax is paid late.
4. Name and contact information for tax report Preparer.
5. An **ADJUSTMENT FOR PREVIOUS QUARTER** (not applicable to 1<sup>st</sup> Quarter report) should be entered **on Line 5** if a Contractor underpaid its tax for the previous calendar quarter **by 10% or more**, based on the Estimated Amounts reported and the actual amounts paid to the Contractor by AHCCCS in that quarter. Payments of additional tax for the previous quarter that are made in this manner will not incur penalty or interest. However, an Adjustment to reduce the tax payment for the previous quarter may subject a Contractor to penalty and interest if the total of all tax payments for the year are less than the amount of tax required to be paid according to the records that AHCCCS provides to this Department after December 31, as described below.

**CIVIL PENALTY AND INTEREST FOR LATE TAX PAYMENT:** A Contractor should compute and pay Penalty and Interest\* when a tax is paid late, except for the payments made as Adjustment For Previous Quarter described in paragraph 5 above. Each year before April 1<sup>st</sup>, this Department will reconcile the tax paid by a Contractor to the actual amount of reimbursement paid to the Contractor by AHCCCS in the preceding calendar year. This Department will issue an assessment of additional tax and any applicable penalty and interest with a Notice of Right of Appeal to a Contractor that underpaid the tax for the calendar year period. **This Department will issue a refund** to a Contractor that overpaid the tax for the calendar year period.

\*Penalty is the greater of 5% of the tax paid late or \$25 and interest is 1% of the tax paid late, per month.